

JACK RUSSO (State Bar No. 96068)
TIM C. HALE (State Bar No. 114905)
JOHN KELLEY (State Bar No. 100714)
RUSSO & HALE LLP
401 Florence Street
Palo Alto, CA 94301
Telephone: (650) 327-9800
Facsimile: (650) 327-3737
Email: jrusso@computerlaw.com
thale@computerlaw.com
jkelley@computerlaw.com

Attorneys for Defendants and Counterclaimants
ROMI MAYDER, SILICON TEST SYSTEMS, INC.,
SILICON TEST SOLUTIONS LLC, and WESLEY
MAYDER

IN THE UNITED STATES DISTRICT COURT
IN AND FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

VERIGY US, INC., a Delaware Corporation,

Plaintiff,

v.

ROMI MAYDER, an individual; WESLEY
MAYDER, an individual; SILICON TEST
SYSTEMS, INC., a California Corporation;
and SILICON TEST SOLUTIONS, LLC, a
California Limited Liability Corporation,
inclusive,

Defendants.

AND RELATED COUNTERCLAIMS.

Case No. 5:07-cv-04330-RMW (HRL)

**NOTICE OF MOTION AND MOTION TO
QUASH SUBPOENA SERVED ON MOUNT
& STOELKER PC; MEMORANDUM OF
POINTS AND AUTHORITIES**

Date: October 7, 2008

Time: 10:00 a.m.

Ctrm: 2

Before the Hon. Howard R. Lloyd

Complaint Filed: August 22, 2007

Trial Date: December 8, 2008 (jury trial)

(Defendants have elected to reserve their jury
trial rights under F.R.C.P., Rule 38)

1 TO PLAINTIFF VERIGY US, INC. AND ITS ATTORNEYS OF RECORD:

2 Notice is hereby given that Silicon Test Systems, Inc., Romi Mayder, Silicon Test
3 Solutions LLC, and Wesley Mayder (“Defendants”), Defendants in the above named case, pursuant
4 to FedRCivP 45(c) hereby move to quash a subpoena (the “Subpoena”) served upon their former
5 litigation counsel, Mount & Stoelker, PC by Plaintiff Verigy US, Inc. (“Verigy”) on or about
6 August 5, 2008. Said Subpoena violates the attorney-client and work product privileges under
7 FedRCivP 26(b)(3) by seeking any and all communications between said former counsel and
8 Defendants, almost entirely without qualification or limitation. For these reasons and those set
9 forth below, the Subpoena issued by Verigy should be quashed. This motion is based upon the
10 accompanying Memorandum of Points and Authorities and the Declaration of Tim C. Hale (“Hale
11 Decl.”).

12 **MEMORANDUM OF POINTS AND AUTHORITIES**

13 **INTRODUCTION**

14 Verigy’s subpoena duces tecum to Mount & Stoelker PC (the “Subpoena”), former
15 litigation counsel to the Defendants in this litigation, explicitly and repeatedly requests production
16 of documents relating to communications between Mount & Stoelker, PC and Defendants,
17 communications that are protected under FedRCivP 26(b)(3) by the attorney-client privilege and
18 the work product doctrine. Verigy seeks to invade the attorney-client relationship between
19 Defendants and their former counsel based upon limited statements contained in one or more
20 declarations filed by Defendants in this action, statements that in no way constitute waiver of such
21 protections, and certainly not to the extent allowing for production of the documents sought by
22 Verigy. The Subpoena should be quashed.

23 **ARGUMENT**

24 **I. THE DOCUMENTS SOUGHT BY THE SUBPOENA ARE NOT DISCOVERABLE**

25 **A. The Subpoena Seeks Documents Protected by the Attorney-Client Privilege.**

26 Nearly every document request in the Subpoena purports to require production of
27 documents containing communications between the attorneys at Mount & Stoelker and their
28 former clients, the Defendants. The Subpoena seeks to invade the attorney-client privilege, a

sacrosanct doctrine lying at the heart of this country's judicial system, a doctrine "necessary to achieve...full and frank disclosure by the client to his or her attorney." *Clarke v. American Commerce Nat'l Bank*, 974 F.2d 127, 129 (9th Cir. 1992). The privilege is "no mere peripheral evidentiary rule, but is held vital to the effective administration of justice." *Roberts v. City of Palmdale*, 5 Cal.4th 363, 380 (1993). The attorney-client privilege applies where (a) legal advice is sought (b) from a legal advisor acting as such (c) to communications relating to such advice (d) that are made in confidence (e) by the client. *In re Grand Jury Investigation*, 974 F.2d 1068, 1071 n.2 (9th Cir. 1992).

The communications sought by Verigy's Subpoena to Mount & Stoelker fall squarely within this privilege. As an example, document request number 10 in the Subpoena reads "All COMMUNICATIONS between YOU [Mount and Stoelker] and DEFENDANTS relating to the Preliminary Injunction motion and briefing, as referenced in the MAYDER DECLARATION." Hale Decl., Exh. 1 thereto. There is no dispute whatsoever that this request seeks communications between the clients, the "DEFENDANTS," and their legal advisors at the time, "YOU." Further, there is no dispute that the communications sought relate to confidential legal advice in this matter, since they include any and all communications relating to Verigy's preliminary injunction motion, as well as to Defendants' own briefing on such motion.¹

Verigy's Subpoena seeks unparticularized production of nearly all attorney-client communications in this action based upon so-called waiver of the attorney-client privilege in Defendants' motion for modification of the preliminary injunction ruling by the Court in this action. Hale Decl., Exh. 1 (attached memorandum and R. Mayder Declaration). Such waiver argument, however, must be denied for several reasons. First, the only relevance of such communications is to the motion itself—whether the Court should enter a revised order that allows Defendants to market their Flash Enhancer product to customers who are highly desirous of taking advantage of such invention. Yet Defendants' Subpoena to Mount & Stoelker was not served in

¹ Indeed, Verigy has defined "RELATING TO," as used in this and every other request for documents in the Subpoena, so broadly as to include any communication even remotely associated with the Preliminary Injunction.

1 such a manner that would allow Verigy to use any production resulting therefrom in connection
 2 with said motion; that is, Verigy did not seek production on shortened time so as to include any
 3 materials in its opposition to the motion. Moreover, perhaps the most cogent evidence of the lack
 4 of “vitalness” of the privileged communications that Verigy now seeks to discover is Verigy’s
 5 failure to even question Mr. Mayder regarding any of the statements in his Declaration when given
 6 the opportunity to do so before the hearing on Defendants’ motion. That is, Mr. Mayder was
 7 deposed (for a *fourth* time!) by Verigy on August 21, 2008, for over six hours, and yet Verigy did
 8 not ask a single question regarding the Declaration he submitted in support of Defendants’ motion
 9 to modify the preliminary injunction. Hale Decl. at ¶2.

10 More importantly, the Subpoena is in no way particularized to documents or
 11 communications that are “vital” to Verigy’s position. *United States v. Amiani*, 169 F.3d 1189,
 12 1195 (9th Cir. 1999). Courts addressing questions of waiver go to great lengths to ensure that any
 13 ruling of waiver is “no broader than needed to ensure the fairness of the proceedings before
 14 it....Courts, including ours, that have imposed waivers under the fairness principle have therefore
 15 closely tailored the scope of the waiver to the needs of the opposing party in litigating the claims in
 16 question.” *Bittaker v. Woodford*, 331 F.3d 715, 720 (9th Cir. 2003). Verigy’s Subpoena, however,
 17 goes far beyond seeking otherwise privileged communications relating to specific statements or
 18 positions in this action, and instead attempts to discover all communications as to a subject matter
 19 based on a closely limited statement. For example, in the R. Mayder declaration that Verigy relies
 20 upon to support its Subpoena, Mr. Mayder made the following statement:

21 There is an ambiguity in my declaration that I submitted for the
 22 contempt motion. The declaration states that Dr. Blanchard told
 23 me that my activities under the TRO were proper. However, it was
 24 actually Dan Mount of Mount & Stoelker who told me my activities
 under the TRO were proper based on what Dr. Blanchard had said.

25 R. Mayder Decl., attached to the Subpoena, at ¶19. Instead of seeking documents related only to
 26 this limited statement, however, the Subpoena seeks “[a]ll COMMUNICATIONS between YOU
 27 [Mount & Stoelker] and DEFENDANTS relating to Dr. Blanchard....” Hale Decl., Exh. 1 at
 28 request no. 7. This form of overbreadth permeates the Subpoena and violates the requirement of

1 narrowly tailoring any finding of waiver of the privilege. Because the Subpoena and the document
2 requests therein, are so broadly stated, the Subpoena should be quashed.²

3 **B. The Subpoena Seeks Documents Protected by the Work Product Doctrine.**

4 Each and every document request in the Subpoena purports to require production of all
5 documents relating to or supporting legal advice and strategy, including documents protected by
6 the work product doctrine. The courts have held that documents prepared by counsel to one of the
7 parties in connection with litigation are not discoverable, unless opposing counsel can show
8 unusual hardship and need. *Hickman v. Taylor*, 329 U.S. 495, 511, 67 S. Ct. 385, 91 L. Ed. 451
9 (1947). *See also, Duplan Corp. v. Moulinage et Retorderie de Chavanoz*, 487 F.2d 480 (4th Cir.
10 1973); Rule 26(b)(3), F.R.Civ.P. “The work product privilege rests on the belief that...promotion
11 of adversary preparation ultimately furthers the truth-finding process.” *United States v. American*
12 *Tel. & Tel. Co.*, 642 F.2d 1285, 1300 (D.C. Cir. 1980). Even where the attorney client privilege
13 may be deemed inapplicable, the work product doctrine will serve to protect an attorney’s efforts at
14 representing his client. *See, e.g. In re McKesson HBOC, Inc. Securities Litigation*, 2005 U.S. Dist.
15 LEXIS 7098, at *28-*29 (N.D. Cal. Mar. 31, 2005). That is, the Court must analyze the two forms
16 of protection separately, since they are governed by separate standards, including standards as to
17 waiver. *Id.* at *29.

18 Here, the Subpoena seeks a myriad of work product documents relating to alleged advice
19 given by the Mount & Stoelker firm to Defendants. For example, rather than seeking only
20 communications between counsel and their clients regarding a press release that was issued in
21 connection with this action, the Subpoena seeks “[a]ll DOCUMENTS RELATING TO the press
22 release issued by DEFENDANTS referenced in paragraph 14 and Ex. 7 to the MAYDER
23 DECLARATION, including *but not limited to*, COMMUNICATIONS between YOU and
24 DEFENDANTS.” Hale Decl., Exh. 1 (emphasis added).

25
26 ² Despite being notified that Defendants intended to move to quash the Subpoena, at no time did
27 Verigy offer to limit the scope thereof. Hale Decl. at ¶3. In that the communications sought
28 are relevant at most to the motion to be heard by the Court on September 5, 2008, and given
Verigy’s lack of diligence in seeking to discover the same, the Court should quash the
Subpoena in its entirety rather than permitting Verigy to attempt to limit it after the fact.

1 But Verigy has not made, and cannot make, any showing of waiver of the work product of
 2 Defendants' former counsel related to the issues addressed in the Subpoena. Said counsel properly
 3 objected to the Subpoena prior to the return date. Hale Decl., Exh. 2. The courts have also held
 4 that even in those few instances in which work product is discoverable, the court must protect
 5 against disclosure of the attorney's private "mental impressions, conclusions, opinions or legal
 6 theories." Fed.R.Civ.P. 26(b)(3). The Subpoena, however, seeks "all DOCUMENTS" relating to a
 7 host of topics at issue in this litigation, which would include internal memoranda, strategy
 8 documents, and every other form of protected communication or work product. Such documents,
 9 to the extent they exist, would have been created by Mount & Stoelker in their capacity as
 10 attorneys for Defendants, in the course of rendering legal services and advice to Defendants, and
 11 would naturally contain such mental impressions, conclusions, opinions, or legal theories of the
 12 Mount & Stoelker attorneys. Because the Subpoena is so overly broad, it seeks to sweep in all
 13 work product of Defendants' former counsel, and for this additional reason it should be quashed in
 14 its entirety.

15 CONCLUSION

16 For the reasons stated above, the Subpoena served by Verigy on Mount & Stoelker, PC on
 17 August 5, 2008 should be quashed.

18 Respectfully Submitted,

19 RUSSO & HALE, LLP

20 Dated: August 28, 2008

21 By: /s/ Tim C. Hale
Tim C. Hale

22 Attorneys for Defendants and
 23 Counterclaimants ROMI MAYDER,
 24 SILICON TEST SYSTEMS, INC., SILICON
 25 TEST SOLUTIONS LLC, and WESLEY
 26 MAYDER
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